



# CITY CREDIT WORKSHEET

## CREDIT FOR TAX PAID TO ANOTHER MICHIGAN CITY

A resident shall be allowed a credit against the city income tax for the amount paid to the other municipality. The credit for tax paid to the other city is based upon income that is also taxable in Muskegon. The credit shall not exceed the amount of taxes which would be assessed under the City of Muskegon Income Ordinance on the same amount of income of a nonresident (.005). The credit allowed is the tax paid to the other city or 0.5% (.005) of the amount earned in that city during 2003, less exemptions allowed by the Muskegon Income Tax, whichever is smaller. Proof of payment to another city must be submitted. Attach a copy of the return filed with the other city. No credit is allowed for tax paid to another city in another state.

A Muskegon resident working in Grand Rapids, which has a non-resident tax rate of 0.65% (.0065), is only allowed a credit of 0.5% (.005) on their Muskegon tax return. This is the maximum amount of credit that the ordinance allows for a resident working in another city with an income tax.

### Part year residents:

Include income on line 1 of this worksheet only to the extent that is taxable by Muskegon as a resident and taxable by another city that imposes an income tax as a non-resident.

1. Enter the income earned in another Michigan city that has a local tax.	1. .00
2. Less: exemption amount from the Muskegon return. Number of exemptions _____ x \$600.00	2. .00
3. Subtract line 2 from line 1.	3. .00
4. Rate.	4. .005
5. Multiply line 3 by line 4. Enter here and on M-1040 line 21 or M-1040EZ line 10.	5. .00

### NOTE:

You must complete a separate City Credit Worksheet for each city in which you file a non-resident return.

**YOU MUST ATTACH A COPY OF PAGE ONE OF THE OTHER CITY'S RETURN.**